

STATEMENT UNDER 37 CFR 3.73(b)

Applicant/Patent Owner: Fang FANG

Application No./Patent No.: 09/555,446

Filed/Issue Date: August 16, 2010

Titled:

MULTIVALENT RECOMBINANT ANTIBODIES FOR TREATING HRV INFECTIONS

PERLAN THERAPEUTICS, INC.

, a Corporation

(Name of Assignee)

(Type of Assignee, e.g., corporation, partnership, university, government agency, etc.)

states that it is:

1. ☒ the assignee of the entire right, title, and interest in;
2. ☐ an assignee of less than the entire right, title, and interest in
(The extent (by percentage) of its ownership interest is _____ %); or
3. ☐ the assignee of an undivided interest in the entirety of (a complete assignment from one of the joint inventors was made)

the patent application/patent identified above, by virtue of either:

- A. ☐ An assignment from the inventor(s) of the patent application/patent identified above. The assignment was recorded in the United States Patent and Trademark Office at Reel _____, Frame _____, or for which a copy therefore is attached.

OR

- B. ☒ A chain of title from the inventor(s), of the patent application/patent identified above, to the current assignee as follows:

1. From: Fang Fang

To: CFY BIOMEDICALS, INC.

The document was recorded in the United States Patent and Trademark Office at

Reel 011155, Frame 0709, or for which a copy thereof is attached.

2. From: CFY BIOMEDICALS, INC.

To: PERLAN THERAPEUTICS, INC.

The document was recorded in the United States Patent and Trademark Office at

Reel _____, Frame _____, or for which a copy thereof is attached.

3. From: _____

To: _____

The document was recorded in the United States Patent and Trademark Office at

Reel _____, Frame _____, or for which a copy thereof is attached.

☐ Additional documents in the chain of title are listed on a supplemental sheet(s).

- ☒ As required by 37 CFR 3.73(b)(1)(i), the documentary evidence of the chain of title from the original owner to the assignee was, or concurrently is being, submitted for recordation pursuant to 37 CFR 3.11.

[NOTE: A separate copy (i.e., a true copy of the original assignment document(s)) must be submitted to Assignment Division in accordance with 37 CFR Part 3, to record the assignment in the records of the USPTO. See MPEP 302.08]

The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.

/Tamera M. Weisser/

Signature

June 29, 2012

Date

Tamera M. Weisser, Reg. 47,856 (For D. Gay, Reg. 39,200)

Printed or Typed Name

Attorney for Applicants

Title

This collection of information is required by 37 CFR 3.73(b). The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.



SECRETARY OF STATE



I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 15 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of



SEP 24 2001

Bill Jones

Secretary of State

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AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

CFY BIOMEDICALS, INC.

a California Corporation

FILED

In the Office of the Secretary of State
of the State of California

MAR 27 2001

BILL JONES, Secretary of State

The undersigned John Reno and Fang Fang hereby certify that:

ONE: They are the duly elected and acting President and Secretary, respectively, of said corporation.

TWO: The Articles of Incorporation of said corporation shall be amended and restated to read as follows:

ARTICLE I

The name of this corporation (hereinafter, the "Corporation") is Perlan Therapeutics, Inc.

ARTICLE II

The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

A. Classes of Stock. This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is Twenty Million (20,000,000) shares. Twelve Million Eight Hundred Ten Thousand (12,810,000) shares shall be Common Stock and Seven Million One Hundred Ninety Thousand (7,190,000) shares shall be Preferred Stock. The Common Stock shall have a par value of \$.001 per share and the Preferred Stock shall have a par value of \$.001 per share.

B. Rights, Preferences and Restrictions of Preferred Stock. Seven Million One Hundred Ninety Thousand (7,190,000) shares of the Preferred Stock are designated "Series A Preferred Stock." The rights, preferences, privileges and restrictions granted to and imposed on the Series A Preferred Stock are as follows (note: Section references within this Article III.B. are to other Sections within this Article III.B. unless otherwise expressly provided):

1. Dividends.

(a) The holders of the Series A Preferred Stock shall be entitled to receive dividends in preference to any dividend on the Common Stock at the rate of \$0.021336 per share

(as adjusted for any stock dividends, combinations or splits with respect to such shares and rounded upward to the nearest whole cent after aggregating all shares of Series A Preferred Stock held by a holder) per annum, payable out of funds legally available therefor. Such dividends shall be payable only when, as, and if declared by the Board of Directors and shall be noncumulative.

(b) No dividends (other than those payable solely in the Common Stock of the corporation) shall be paid on any Common Stock of the Corporation during any fiscal year of the Corporation until dividends in the total amount of \$0.021336 per share (adjusted for any stock dividends, combinations or splits with respect to such shares and rounded upward to the nearest whole cent after aggregating all shares of Series A Preferred Stock held by a holder) on the Series A Preferred Stock shall have been paid or declared and set apart during that fiscal year and no dividend shall be paid on any Common Stock unless a dividend (including the amount of any dividends paid pursuant to the above provisions) is paid with respect to all outstanding shares of Series A Preferred Stock in an amount for each such share of Series A Preferred Stock equal to or greater than the aggregate amount of such dividends for all shares of Common Stock into which each such share of Series A Preferred Stock could then be converted. The provisions of this Section 1(b) shall not, however, apply to any repurchase of any outstanding securities of the Corporation that is unanimously approved by the Board of Directors.

(c) In the event of a conversion of the Series A Preferred Stock pursuant to Section 4, any accrued and unpaid dividends shall be paid at the election of the holder in cash or Common Stock at its then fair market value, as determined by the Board of Directors.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary (in any event, a "Liquidation"), the holders of Series A Preferred Stock shall be entitled to receive by reason of their ownership thereof, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock, an amount per outstanding share of Series A Preferred Stock equal to the sum of (i) \$0.2667, rounded upward to the nearest whole after aggregating all shares of Series A Preferred Stock held by a holder, as adjusted for any stock dividends, combinations, splits or similar events affecting or with respect to Series A Preferred Stock (the "Series A Purchase Price"), and (ii) an amount equal to all declared but unpaid dividends on each such share (the sum of clauses (i) and (ii) being hereinafter referred to as the "Series A Liquidation Preference"). If, upon the occurrence of a Liquidation, the assets and funds thus distributed among the holders of Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full Series A Liquidation Preference, then the entire assets and funds of the Corporation legally available for distribution to the holders of Series A Preferred Stock upon a Liquidation shall be distributed ratably, on a per share basis, among the holders of Series A Preferred Stock.

(b) After payment to the holders of the Series A Preferred Stock of the amounts set forth in Sections 2(a) above, the remaining assets of the Corporation available for distribution to shareholders, if any, shall be distributed among the holders of Series A Preferred Stock and Common Stock in proportion to the shares of Common Stock then held by them and

the shares of Common Stock which they have the right to acquire upon conversion of the shares of Series A Preferred Stock then held by them, provided, however, that distributions to the holders of Series A Preferred Stock pursuant to this Section 2(b) shall not exceed \$1.87 per share, as adjusted for any stock dividends, combinations, splits or similar events affecting or with respect to Series A Preferred Stock (including the amounts distributed pursuant to Section 2(a) above). In the event that distributions to the holders of Series A Preferred Stock exceed such amount, then the remaining assets, if any, of the Corporation legally available for distribution to shareholders after paying such amount shall be distributed ratably to the holders of Common Stock.

(c) For purposes of this Section 2, any acquisition of the Corporation by means of a merger or other form of corporate reorganization in which the shareholders of the Corporation do not own a majority of the outstanding shares of the surviving corporation (measured on an as-converted to common stock basis), or a sale of all or substantially all of the assets of the Corporation (any such acquisition or sale being hereinafter referred to as an "Acquisition"), shall be treated as a Liquidation. Upon the closing of any Acquisition, the holders of Series A Preferred Stock and Common Stock shall be entitled to receive the amounts of cash, securities or other property as specified in Sections 2(a) and 2(b) above.

(d) Any securities to be delivered to the holders of Series A Preferred Stock and Common Stock pursuant to Section 2(c) above shall be valued as follows:

(i) For securities not subject to investment letter or other similar restrictions on free marketability:

(A) If traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the closing;

(B) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid and asked prices over the thirty (30) day period ending three (3) days prior to the closing; and

(C) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board; and

(ii) The value of securities subject to investment letter or other restrictions on free marketability shall be appropriately discounted as determined in good faith by the Board.

(e) The provisions of this Section 2 are in addition to the protective provisions of Section 6 below.

3. Redemption.

(a) Beginning on May 21, 2006 and continuing thereafter on the anniversary date thereof (each a "Redemption Date"), at the written request of the holders of a majority of the then outstanding Series A Preferred Stock, the Corporation shall redeem, from any source of

funds legally available therefor, the Series A Preferred Stock held by such requesting holders. The Corporation shall effect such redemptions on the applicable Redemption Dates by paying in cash in exchange for the shares of Series A Preferred Stock to be redeemed a sum equal to the Series A Purchase Price plus all declared but unpaid dividends on such shares (the "Redemption Price"); provided, however, that the Corporation shall not be required under this Section 3(a) to redeem from any particular holder (i) in connection with the Redemption Date in 2006, a number of shares of Series A Preferred Stock greater than thirty-three percent (33%) of the aggregate number of shares of Series A Preferred Stock held by such holder immediately prior to such redemption and (ii) in connection with the Redemption Date in 2007, a number of shares of Series A Preferred Stock greater than fifty percent (50%) of the aggregate number of shares of Series A Preferred Stock held by such holder immediately prior to such redemption.

(b) At least 30 but no more than 60 days prior to each Redemption Date, written notice shall be mailed, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of the Series A Preferred Stock to be redeemed, at the address last shown on the records of the Corporation for such holder, notifying such holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Redemption Date, the Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, his certificate or certificates representing the shares to be redeemed (the "Redemption Notice"). Except as provided in Section 3(c), on or after the Redemption Date, each holder of Series A Preferred Stock to be redeemed shall surrender to this Corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(c) From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price or the Corporation is unable to pay the Redemption Price due to not having sufficient legally available funds, all rights of the holders of shares of Series A Preferred Stock designated for redemption in the Redemption Notice as holders of Series A Preferred Stock (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of shares of Series A Preferred Stock on any Redemption Date are insufficient to redeem the total number of shares of Series A Preferred Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Series A Preferred Stock. The shares of Series A Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series A Preferred Stock such funds will immediately be used to redeem the balance of the shares which the Corporation has become obliged to redeem on any Redemption Date, but which it has not redeemed.

(d) On or prior to each Redemption Date, the Corporation shall deposit the Redemption Price of all shares of Series A Preferred Stock designated for redemption in the Redemption Notice and not yet redeemed with a bank or trust corporation having aggregate capital and surplus in excess of \$100,000,000 as a trust fund for the benefit of the respective holders of the shares designated for redemption and not yet redeemed, with irrevocable instructions and authority to the bank or trust corporation to pay the Redemption Price for such shares to their respective holders on or after the Redemption Date upon receipt of notification from the Corporation that such holder has surrendered his share certificate to the Corporation pursuant to Section 3(b) above. As of the Redemption Date, the deposit shall constitute full payment of the shares to their holders, and from and after the Redemption Date the shares so called for redemption shall be redeemed and shall be deemed to be no longer outstanding, and the holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the right to receive from the bank or trust corporation payment of the Redemption Price of the shares, without interest, upon surrender of their certificates therefor. Such instructions shall also provide that any moneys deposited by the Corporation pursuant to this Section 3(d) for the redemption of shares thereafter converted into shares of the Corporation's Common Stock pursuant to Section 4 hereof prior to the Redemption Date shall be returned to the Corporation forthwith upon such conversion. The balance of any moneys deposited by the Corporation pursuant to this Section 3(d) remaining unclaimed at the expiration of two (2) years following the Redemption Date shall thereafter be returned to the Corporation upon its request expressed in a resolution of its Board of Directors.

4. Conversion. The holders of Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of this Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock, determined by dividing the Original Series A Issue Price by the conversion price at the time in effect for such series (the "Conversion Price"). The "Original Series A Issue Price" shall be \$0.2667 per share. The initial Conversion Price per share for shares of Series A Preferred Stock shall be the Original Series A Issue Price; provided, however, that the Conversion Price for the Series A Preferred Stock shall be subject to adjustment as set forth in subsection 4(d).

(b) Automatic Conversion. Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Price at the time in effect for such Series A Preferred Stock immediately preceding the earlier of (i) the Corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the "Securities Act"), at a price per share of not less than \$5.00 per share (as adjusted for stock splits, reverse stock splits and the like effected after the date on which a share of Series A Preferred Stock was first issued (the "Purchase Date") where the gross proceeds received by the Corporation in such offering are at least \$20,000,000 (a "Qualified IPO"), or (ii) the date specified by written consent or agreement of the holders of a majority of the then outstanding shares of Series A Preferred Stock.

(c) Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of this Corporation or of any transfer agent for shares, and shall give written notice to this Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. This Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering Series A Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock upon conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the closing of such sale of securities.

(d) Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations. The Conversion Price of the Series A Preferred Stock shall be subject to adjustment from time to time as follows:

(i) If the Corporation shall issue, after the Purchase Date for the Series A Preferred Stock, any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price in effect immediately prior to the issuance of such Additional Stock, the Conversion Price in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of such Additional Stock. For purposes of the foregoing computation, the number of shares of Common Stock outstanding shall be deemed to include (i) all shares of Common Stock actually outstanding, (ii) the number of shares of Common Stock into which the then outstanding shares of Series A Preferred Stock could be converted if fully converted on the day immediately preceding such date and (iii) all shares of Common Stock deemed to be outstanding as a result of the application of subsection 4(d)(i)(E).

(A) No adjustment of the Conversion Price for the Series A Preferred Stock shall be made in an amount less than one cent per share, provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three (3) years from the date of the event giving rise to the adjustment being carried forward, or shall

be made at the end of three (3) years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in subsections (E)(3) and (E)(4), no adjustment of such Conversion Price pursuant to this subsection 4(d)(i) shall have the effect of increasing the Conversion Price for the Series A Preferred Stock above the Conversion Price for the Series A Preferred Stock in effect immediately prior to such adjustment.

(B) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by this Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(C) In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined by the Board of Directors, without regard to the accounting treatment thereof.

(D) In the case of the issuance (whether before, on or after the Purchase Date) of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this subsection 4(d)(i) and subsection 4(d)(ii):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)), if any, received by the Corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Corporation (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to this Corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the Conversion Price of the Series A Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities; provided, however, that this section shall not have any effect on any conversion of such Series A Preferred Stock prior to such change or increase.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price for the Series A Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities which remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities; provided, however, that this section shall not have any effect on any conversion of such Series A Preferred Stock prior to such expiration or termination.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to subsections 4(d)(i)(E)(1) and (2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either subsection 4(d)(i)(E)(3) or (4).

(ii) "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to subsection 4(d)(i)(E)) by this Corporation after the Purchase Date other than:

(A) Common Stock issued pursuant to a transaction described in subsection 4(d)(iii) hereof;

(B) 1,000,000 shares of Common Stock or Common Stock Equivalents (as defined below) issuable or issued to officers, employees, agents, consultants or directors pursuant to a stock option plan or agreement approved by the Board of Directors of this Corporation and such additional number of shares issuable or issued to such persons pursuant to such plan or agreement as shall be approved by the Board of Directors of this Corporation (including the directors elected by the holders of Series A Preferred Stock);

(C) Shares of Common Stock issued or issuable in a public offering in connection with which all outstanding shares of Series A Preferred Stock will be converted to Common Stock;

(D) Shares of Common Stock issued or issuable in connection with the conversion of shares of Series A Preferred Stock into Common Stock;

(E) Shares of Common Stock issued or issuable pursuant to any equipment leasing arrangement or debt financing from a bank or similar institution;

(F) Shares of Common Stock issued for consideration other than cash pursuant to a merger, consolidation, acquisition or similar business combination if unanimously approved by the Board of Directors of this Corporation; or

(G) Shares of Common Stock issued in connection with any strategic partnering transaction or joint venture if unanimously approved by the Board of Directors of this Corporation.

(iii) In the event the Corporation should at any time or from time to time after the Purchase Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Series A Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in subsection 4(d)(i)(E).

(iv) If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price of the Series A Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(c) Other Distributions. In the event this Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 4(d)(iii), then, in each such case for the purpose of this subsection 4(e), the holders of the Series A Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Series A Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(f) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale

of assets transaction provided for elsewhere in this Section 4 or Section 2) provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Series A Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price of the Series A Preferred Stock then in effect and the number of shares purchasable upon conversion of the Series A Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(g) No Impairment. This Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by this Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred Stock against impairment.

(h) No Fractional Shares and Certificate as to Adjustments.

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Series A Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share (with one-half being rounded upward) determined on the basis of the total number of shares of Series A Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Within fifteen (15) days following the occurrence of each adjustment or readjustment of the Conversion Price for the Series A Preferred Stock pursuant to this Section 4, this Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. This Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for the Series A Preferred Stock at the time in effect and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of Series A Preferred Stock.

(iii) Notices of Record Date. In the event of any taking by this Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, this Corporation shall mail

to each holder of Series A Preferred Stock at least ten (10) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(i) Reservation of Stock Issuable Upon Conversion. This Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all the then outstanding shares of the Series A Preferred Stock, in addition to such other remedies as shall be available to the holder of such Series A Preferred Stock, this Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in its best efforts to obtain the requisite shareholder approval of any necessary amendment to the Articles of Incorporation.

(j) Notices. Any notice required or permitted by the provisions of this Section 4 to be given to the holders of shares of Series A Preferred Stock shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (i) five (5) days after deposit with the U.S. postal service or other applicable postal service, if delivered by first class mail, postage prepaid, (ii) upon delivery, if delivered by hand, (iii) one (1) business day after the day of deposit with Federal Express or similar overnight courier, freight prepaid, if delivered by overnight courier or (iv) one (1) business day after the day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed to each holder of record at such holder's address appearing on the books of this Corporation.

5. Voting Rights.

(a) The holder of each share of Series A Preferred Stock shall be entitled to exercise a number of votes equal to the number of shares of Common Stock into which such Series A Preferred Stock could be converted on the record date, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, except as required by law, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance with the Bylaws of this Corporation, and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted), however, be counted.

(b) Notwithstanding Section 5(a), so long as there are at least 1,000,000 shares of Series A Preferred Stock outstanding (as adjusted for stock splits, dividends and the like), the holders of Series A Preferred Stock shall be entitled, voting as a separate class, to elect two directors, and the holders of Common Stock shall be entitled, voting as a separate class, to

elect one director at each meeting or pursuant to each consent of this Corporation's shareholders for the election of directors. The number of directors shall originally be set at three. In the case of any vacancy in the office of a director elected by the holders of the Series A Preferred Stock or the Common Stock pursuant to this Section 5(b), so long as at least 1,000,000 shares of Series A Preferred Stock remain outstanding (as adjusted for stock splits, dividends and the like), the holders of a majority of the then voting power of the Series A Preferred Stock, in the first case, and Common Stock, in the second case, shall, within 60 days of such vacancy, elect a successor to hold office for the unexpired term of the director whose place shall be vacant. Any director may be removed during the aforesaid term of office, with or without cause, only by the affirmative vote of the holders of a majority of the voting power of the Series A Preferred Stock or Common Stock, as applicable, which first elected him.

6. Restrictions and Limitations. So long as at least 2,000,000 shares of Series A Preferred Stock remain outstanding (as adjusted for stock splits, dividends and the like), the Corporation shall not, without the vote or written consent by the holders of a majority of the then outstanding shares of the Series A Preferred Stock:

(a) Redeem, purchase or otherwise acquire for value (or pay into or set aside for a sinking fund for such purpose) any share or shares of Preferred Stock otherwise than by redemption of the Series A Preferred Stock or conversion in accordance with Sections 3 or 4 hereof;

(b) Redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any of the Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares at cost or at cost plus interest upon the occurrence of certain events, such as the termination of employment;

(c) Authorize or issue, or obligate itself to issue, any other equity security (including any security convertible into or exercisable for any equity security) senior or equal to the Series A Preferred Stock as to dividend rights or redemption rights or preferences;

(d) Permit any subsidiary of the Corporation to sell stock to any third party;

(e) Declare, pay or otherwise set aside a dividend payable on the Common Stock or any securities other than the Series A Preferred Stock;

(f) Effect any sale, lease, assignment, transfer or other conveyance of all or substantially all of the assets of the Corporation, or any consolidation or merger involving the Corporation, or any reclassification or other change of any stock, or any recapitalization of the Corporation;

(g) Amend these Articles of Incorporation or the Corporation's Bylaws;

(h) Alter or change the powers, preferences or special rights of the Series A Preferred Stock;

(i) Cause the Corporation to engage in any line of business other than the line of business in which it is engaged on the Purchase Date;

(j) Cause the Corporation to acquire the stock, assets or business of any other person or entity in any form of transaction, or engage in a joint venture with any other person or entity; or

(k) Change the authorized number of directors of the Corporation.

7. Status of Converted Stock. In the event any shares of Series A Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be canceled and shall not be issuable by the Corporation. The Articles of Incorporation of this Corporation shall be appropriately amended to effect the corresponding reduction in the Corporation's authorized capital stock.

C. Common Stock.

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed as provided in Section 2.

3. Redemption. The Common Stock is not redeemable.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one vote, and shall be entitled to notice of any shareholders' meeting in accordance with the Bylaws of this Corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law.

ARTICLE IV

The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on shareholders herein are granted subject to this reservation.

1. The liability of the directors of this Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

2. This Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through Bylaw provisions, agreements with the agents, vote of shareholders or disinterested directors, or otherwise in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject

only to applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the Corporation and its shareholders.

3. Any repeal or modification of this Article IV shall only be prospective and shall not affect the rights under this Article IV in effect at the time of any alleged occurrence of any action or omission to act giving rise to liability.

THREE: The foregoing amendment and restatement of the Articles of Incorporation has been approved by the Board of Directors of the Corporation.


FOUR: The foregoing amendment was approved by the holders of the requisite number of shares of the Corporation in accordance with Sections 902 and 903 of the California General Corporation Law; the total number of outstanding shares of each class entitled to vote with respect in the foregoing amendment was 3,120,000 shares of Common Stock and 3,750,000 shares of Series A Preferred Stock. The number of shares voting in favor of the foregoing amendment equaled or exceeded the vote required, such required vote being a majority of the outstanding shares of Common Stock and a majority of the outstanding shares of Series A Preferred Stock.

The undersigned certify under penalty of perjury that they have read the foregoing Amended and Restated Articles of Incorporation and know the contents thereof, and that the statements therein are true.

Executed at San Diego, California, on March 21, 2001.



John Reno, President



Fang Fang, M.D., Ph.D., Secretary

